

(Washington, D.C.) - Congressman Ciro D. Rodriguez (TX-23) released the following statement in response to media reports today that in 2006 many top officials at the Veterans Administration (VA) received the "most lucrative" salary bonuses in government -- totaling over \$3.8 million: "I am outraged. While our veterans wait months to receive basic services and medical care, bureaucrats at the VA are collecting the 'most lucrative' bonuses in government at the expense of our veterans.

"With all the problems at Walter Reed and the mismanagement of the Veterans Affairs budget that included a \$1 billion shortfall -- it is appalling that the VA has the audacity to give away \$3.8 million in bonuses to some of the officials responsible for both of those fiascos.

"As a member of the House Veterans Affairs and Appropriations Committees, I have been a tireless advocate for increasing resources for our Veterans, so this news is deeply disappointing. The brave men and women who have served in our armed services should not be shortchanged while those charged with serving them unjustly profit.

"VA Secretary Jim Nicholson has some explaining to do and Congress owes it to our veterans and to the American people to get to the bottom of this."

Rodriguez and several colleagues from the House Veterans' Affairs Subcommittee on Oversight and Investigations wrote to Secretary Nicholson today asking for the Secretary's input on the media reports.

Congressman Rodriguez currently serves on the House Veterans Affairs Committee and House Veterans Affairs Subcommittee on Oversight and Investigations.

Background on today's Associated Press article (Letter to VA Secretary text below):

The Associated Press reported, "Months after a politically embarrassing \$1 billion shortfall that put veterans' health care in peril, Veterans Affairs officials involved in the foul-up got hefty bonuses ranging up to \$33,000.... Among those receiving payments were a deputy assistant secretary and several regional directors who crafted the VA's flawed budget for 2005 based on misleading accounting. They received performance payments up to \$33,000 each, a figure equal to about 20 percent of their annual salaries." [Source: Associated Press, May 3, 2007]

Last September, the Government Accountability Office "determined the VA had used misleading accounting methods and claimed false savings of more than \$1.3 billion."  
[Source: Associated Press, May 3, 2007]

According to the General Accounting Office, "Unrealistic assumptions, errors in estimation, and insufficient data were key factors in VA's budget formulation process that contributed to the requests for additional funding in fiscal years 2005 and 2006.... Furthermore, insufficient data in VA's initial budget projections contributed to the additional funding requests. For example, VA underestimated the cost of serving veterans returning from Iraq and Afghanistan...." [Source: General Accounting Office report, September 2006]

Text of Letter to Secretary Nicholson

May 3, 2007

Honorable R. James Nicholson  
Secretary  
U. S. Department of Veterans Affairs  
810 Vermont Ave., NW  
Washington, D.C. 20420

Dear Mr. Secretary:

As members of the House Veterans' Affairs Committee Subcommittee on Oversight and Investigations, we write to express our serious concern about the issues raised in today's Associated Press report, "Senior VA officials get big bonuses."

As you know, the Administration's continued refusal to ask for the appropriate funds to care for our veterans has placed serious financial strain on the Department of Veterans Affairs and has severely impacted the level of care our veterans receive. We are troubled that despite these budget shortfalls, the VA still found it appropriate to distribute \$3.8 million in bonus payments to high-ranking VA officials. The Associated Press reported that these bonuses are the "most

lucrative&quot; bonuses in the federal government.

It is particularly concerning that the Deputy Undersecretary for Benefits, who is responsible for a claims process that is universally recognized as being extremely backlogged, was among recipients of these controversial bonuses. We do not know how overseeing a backlog of over 637,000 cases with an average 177-day waiting period warrants any suggestion that they are successfully meeting veterans' needs. We wonder if the veterans who continue to wait for their claims to be processed would agree with the VA's decision to award these lucrative bonuses.

Just last year, the Government Accountability Office found that the VA may have deliberately miscalculated budget requests to claim a false savings of more than \$1.3 billion because the Administration refused to ask Congress for the appropriate funding to care for veterans. It is ironic that those behind the VA's infamous 2005 budget received 2006 bonuses. We do not believe that \$33,000 salary bonuses for those who were responsible for those serious miscalculations are an appropriate use of taxpayer dollars.

The VA - as a government entity, and more importantly as the organization privileged with serving our nation's veterans - must serve as an example of ethical business operations. Today's report leads us once again to doubt the integrity of the very institution charged with serving the brave men and women who have so selflessly defended our country and our freedom.

As we work with House Veterans' Affairs Committee Chairman Bob Filner to determine the appropriate response to these reports, we would appreciate your perspective on this situation. We would particularly appreciate hearing whether you believe these enormous bonuses-reportedly, the most generous in the federal government-are truly necessary to help the Department accomplish its mission of serving our nation's veterans.

Sincerely,

HARRY E. MITCHELL  
Chairman  
Subcommittee Oversight  
and Investigations

ZACK SPACE  
Subcommittee on Oversight  
and Investigations

TIM WALZ

Subcommittee on Oversight  
and Investigations

CIRO D. RODRIGUEZ

Subcommittee on Oversight  
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